



UNITED STATES DEPARTMENT OF COMMERCE  
Patent and Trademark Office

Address: COMMISSIONER OF PATENTS AND TRADEMARKS  
Washington, D.C. 20231

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
-----------------	-------------	----------------------	---------------------

09/330,446 06/11/99 FORD

R

TM02/0313

EXAMINER

GREGORY P SILBERMAN  
KAYE SCHOLER FIERMAN  
HAYS & HANLDER LLP  
425 PARK AVENUE  
NEW YORK NY 10022

NGUYEN-L

ART UNIT  PAPER NUMBER

2166

DATE MAILED:

03/13/01

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

<b>Office Action Summary</b>	Application No.	Applicant(s)
	09/330,446	FORD, ROBERT M.
	Examiner Leslie K. Nguyen	Art Unit 2166

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

1) Responsive to communication(s) filed on 26 December 2000.

2a) This action is FINAL.                    2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

4) Claim(s) 1-15 is/are pending in the application.

4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

5) Claim(s) \_\_\_\_\_ is/are allowed.

6) Claim(s) 1-15 is/are rejected.

7) Claim(s) \_\_\_\_\_ is/are objected to.

8) Claims \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on \_\_\_\_\_ is/are objected to by the Examiner.

11) The proposed drawing correction filed on \_\_\_\_\_ is: a) approved b) disapproved.

12) The oath or declaration is objected to by the Examiner.

#### Priority under 35 U.S.C. § 119

13) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All b) Some \* c) None of:

1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

14) Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

#### Attachment(s)

15) Notice of References Cited (PTO-892)

16) Notice of Draftsperson's Patent Drawing Review (PTO-948)

17) Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_.

18) Interview Summary (PTO-413) Paper No(s) \_\_\_\_\_.

19) Notice of Informal Patent Application (PTO-152)

20) Other: \_\_\_\_\_

***Detailed Action***

1. This action is responsive to the amendment filed 26 December 2000.
2. Claim 10 has been amended to provide antecedent basis. The Examiner withdraws the rejection of claim 10 under 35 USC § 112, second paragraph.
3. It is noted that Applicant has failed to respond to Examiner's objections to the abstract and claim 13. The Examiner's objections as cited in the previous Office Action remain pending until appropriate correction is made.
4. In view of Applicant's remarks concerning the rejection of claims 1-8 and 13-15 under 35 USC § 101 as directed to non-statutory subject matter, the Examiner withdraws the rejection of claims 1-8 and 13-15 under 35 USC § 101.

***Claim Rejections - 35 USC § 102***

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

6. Claims 1, 2, 4-6, 9, 13 and 14 are rejected under 35 U.S.C. 102(e) as being anticipated by Johnson et al. in U.S. Pat. No. 5,917,897.

As per claim 1, Johnson et al. disclose a method for managing the sale of a tier-priced commodity comprising the steps of:

- determining a first price for a commodity at a first tier (col. 9, lines 16-18 and col. 11, lines 26-54);
- determining a second price for the commodity at a second tier (col. 9, lines 16-18 and col. 11, lines 26-54);
- determining a third price for a financial instrument designed to indemnify against at least one risk associated with purchasing the commodity at a second tier (col. 11, lines 58-64); and
- offering the commodity at the second tier commodity for sale at a fourth price; wherein the fourth price is lower than the first price and equal to or higher than the sum of the second price and the third price (col. 9, lines 16-18 and lines 34-40; col. 14, lines 39-41).

As per claim 2, Johnson et al. disclose the method of claim 1 as addressed above.

Johnson et al. further disclose that the method comprises the step of receiving a request from a customer to purchase the commodity for the fourth price and selling the customer the commodity (col. 9, lines 34-40).

As per claim 4, Johnson et al. disclose the method of claim 2 as addressed above.

Johnson et al. do not disclose that the ownership of the financial instrument is transferred to the customer. The Examiner asserts that it is inherent that the ownership of the financial instrument is transferred to the customer. When the customer and the provider enter into a contractual agreement to purchase and sell, respectively, the commodity and anything bundled with that commodity, the ownership is immediately transferred from the provider to the customer even if the transaction was carried out by an authorized agent acting on behalf of the customer.

As per claim 5, Johnson et al. disclose the method of claim 1 as addressed above.

Johnson et al. do not disclose that the financial instrument is an insurance policy. Claim 5 would be allowable if rewritten to include all of the limitations of the base claim and any intervening claims.

As per claim 6, Johnson et al. disclose the method of claim 1 as addressed above.

Johnson et al. further disclose that the financial instrument is a hedge contract (col. 11, lines 62-64).

As per claim 8, Johnson et al. disclose the method of claim 6 as addressed above.

Johnson et al. further disclose that the tier-priced commodity is electrical power (abstract).

As per claim 9, Johnson et al. disclose a method for managing the sale of a tier-priced commodity over a computer network comprising the steps of:

- displaying to a customer on a display associated with a customer computer a price for a tier-priced commodity; wherein the commodity has at least a first tier and a second tier in its pricing structure; wherein the second tier has at least one associated risk (col. 9, lines 16-18 and col. 11, lines 26-64);
- receiving a request to purchase the tier-priced commodity on a seller computer connected to the buyer computer via a computer network (col. 9, lines 34-40);
- selling the tier-priced commodity to the customer (col. 9, lines 34-40); and
- transferring to the customer the right to receive indemnification against loss due to at least one associated risk if the commodity is sold to the customer from the second tier (col. 11, lines 58-64).

As per claim 13, Johnson et al. disclose a method for managing the sale of a tier-priced commodity comprising the steps of:

- determining a first price for a commodity at a first tier from a first source for a customer (col. 9, lines 16-18 and col. 11, lines 26-54; FIG. 1);
- determining a second price for the commodity at a second tier from the first source for a customer (col. 9, lines 16-18 and col. 11, lines 26-54; FIG. 1);
- determining a third price for a first financial instrument designed to indemnify the customer against loss resulting from at least one risk associated with purchasing the commodity from the second tier from the first source (col. 11, lines 58-64);
- determining a fourth price for the commodity at a first tier from a second source for a customer (col. 9, lines 16-18 and col. 11, lines 26-54; FIG. 1);
- determining a fifth price for the commodity at a second tier from the second source for the customer (col. 9, lines 16-18 and col. 11, lines 26-54; FIG. 1);
- determining a sixth price for a second financial instrument designed to indemnify the customer against loss resulting from at least one risk associated with purchasing the commodity from the second tier from the second source (col. 11, lines 58-64); and
- displaying to the customer the lowest of the first price, the sum of the second price and the third price, the fourth price and the sum of the fifth price and the sixth price (col. 9, lines 16-18 and lines 34-40; col. 14, lines 39-41).

As per claim 14, Johnson et al. disclose a method for managing the sale of a tier-priced commodity comprising the steps of:

- determining a first price for a commodity at a first tier for a first customer (col. 9, lines 16-18 and col. 11, lines 26-54; FIG. 1);
- determining a second price for the commodity at a second tier for the first customer (col. 9, lines 16-18 and col. 11, lines 26-54; FIG. 1);
- determining a third price for a first financial instrument designed to indemnify the first customer against loss resulting from at least one risk associated with purchasing the commodity from the second tier (col. 11, lines 58-64);
- determining a fourth price for the commodity at a first tier for a second customer (col. 9, lines 16-18 and col. 11, lines 26-54; FIG. 1);
- determining a fifth price for the commodity at a second tier for the second customer (col. 9, lines 16-18 and col. 11, lines 26-54; FIG. 1);
- determining a sixth price for a second financial instrument designed to indemnify the second customer against loss resulting from at least one risk associated with purchasing the commodity from the second tier (col. 11, lines 58-64);
- displaying to the first customer the lowest of the first price, the sum of the second price and the third price (col. 9 lines 16-18 and lines 34-40; col. 14, lines 39-41); and
- displaying to the second customer the lowest of the fourth price and the sum of the fifth price and the sixth price (col. 9 lines 16-18 and lines 34-40; col. 14, lines 39-41).

***Claim Rejections - 35 USC § 103***

7. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

8. Claims 3, 7, 10-12, and 15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Johnson et al. in U.S. Pat. No. 6,047,274.

As per claim 3, Johnson et al. disclose the method of claim 2 as addressed above.

Johnson et al. do not disclose that the ownership of the financial instrument is not transferred to the customer. The Examiner takes Official Notice and asserts that it is well known to use brokerage firms to hold the rights of a contract for a customer. It would have been obvious to one of ordinary skill in the art at the time the invention was made to incorporate this well-known teaching into the invention of Johnson et al. The invention of Johnson et al. is enhanced since transaction burdens on the customer are reduced.

As per claim 7, Johnson et al. disclose the method of claim 5 as addressed above.

Johnson et al. further disclose that the tier-priced commodity is electrical power (abstract).

As per claim 10, Johnson et al. disclose the method of claim 9 as addressed above.

Johnson et al. further disclose that the indemnification is a financial instrument designed to protect against loss associated with interruptions in the delivery of the second tier commodity (col. 11, lines 62-64).

As per claim 11, Johnson et al. disclose the method of claim 10 as addressed above.

Although Johnson does not explicitly disclose that the financial instrument is based upon one or more factors associated with the customer, the Examiner asserts that it is inherent that the financial instrument is based upon one or more factors associated with the customer.

Claim 12 is an apparatus claim for the methods described in claims 1-11 above and, therefore, is rejected upon the same grounds as claims 1-11 as addressed above.

As per claim 15, Johnson et al. disclose a method for managing the sale of a tier-priced commodity comprising the steps of:

- displaying to a first bidder a first price for a commodity and a first financial instrument designed to indemnify the first bidder against loss associated with at least one risk associated with the purchase of the commodity (col. 9, lines 16-18 and col. 11, lines 26-64; FIG. 1);
- displaying to a second bidder a second price for a commodity and a second financial instrument designed to indemnify the second bidder against loss associated with at least one risk associated with the purchase of the commodity (col. 9, lines 16-18 and col. 11, lines 26-64; FIG. 1); and
- receiving bids for the commodity from the first bidder and the second bidder (col. 9, lines 34-40).

Johnson et al. do not specifically disclose the step of:

- selling the commodity and transferring a right to collect against the first financial instrument to the first bidder if the first bidder exceeds the first price by a greater amount than the second bidder exceeds the second price or selling the commodity and transferring a right to collect against the second financial instrument to the second bidder if the second bidder exceeds the second price by a greater amount than the first bidder exceeds the first price.

The Examiner takes Official Notice and asserts that it is well known in auctioning environments to award the bid item to the highest bidder. It would have been obvious to one of ordinary skill in the art at the time the invention was made to incorporate this well-known teaching into the

invention of Johnson et al. The invention of Johnson et al. is enhanced since providers are given more competitive means to sell commodities. The Examiner asserts that it is inherent that the ownership of the financial instrument is transferred to the customer. When the customer and the provider enter into a contractual agreement to purchase and sell, respectively, the commodity and anything the bundled with that commodity, the ownership is immediately transferred from the provider to the customer even if the transaction was carried out by an authorized agent acting on behalf of the customer.

***Remarks***

9. In view of Examiner's new rejections based on Johnson et al., the majority of Applicant's challenges to the Examiner's taking of Official Notice are no longer applicable. Any responses by Applicant that are still applicable are addressed below.

A. On page 5, Applicant disputes the Examiner taking Official Notice that brokerage firms hold contract rights for customers. Per Applicant's request, the Examiner provides for the record the following reference: <http://www.fiaffi.org/tutorial/professionals4.htm>, a page from a web site maintained by the Futures Industry Institute that teaches the basics of commodities trading. It would have been obvious to provide a system wherein the ownership of the financial instrument is not held by the customer since it is common practice in the commodities market to do so. Applicant's argument is noted but deemed non-persuasive.

B. On page 10, Applicant disputes the Examiner taking Official Notice that sellers receive bids from multiple buyers in commodity trades and auctions. Per Applicant's

request, the Examiner provides for the record the following reference: "Request for Proposals: Solicitation for Bids to Purchase Firm Power from Duquesne Light Company" which can be found at [http://soc-dlco.lm.com/Download/Documents/DLC\\_RFP.HTML](http://soc-dlco.lm.com/Download/Documents/DLC_RFP.HTML).

It would have been obvious to provide a system wherein sellers receive bids from multiple buyers in commodity trades and auctions since it is common practice in the commodities market to do so. Applicant's argument is noted but deemed non-persuasive.

### *Conclusion*

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Hickman et al. teach a financial rebate program for utilities based on degree day.
- Fisher et al. teach a method and system for processing and transmitting electronic auction information.
- Johnson teaches a computer-assisted sales system for utilities.
- The paper of Wolak entitled "An Empirical Analysis of the Impact of Hedge Contracts on Bidding Behavior in a Competitive Electricity Market."

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Leslie K. Nguyen whose telephone number is 703-306-5540. The examiner can normally be reached on Monday-Friday, 9:00 AM - 5:30 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tariq R. Hafiz can be reached on 703-305-9643. The fax phone numbers for the

Application/Control Number: 09/330,446  
Art Unit: 2166

Page 11

organization where this application or proceeding is assigned are 703-308-9051 for regular communications and 703-308-9051 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

Leslie K. Nguyen  
March 9, 2001



TARIQ R. HAFIZ  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 2100